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Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Human resources management

Note by the Secretary-General

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994 and 51/221 B of 18 December 1996, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the audit of the use of consultants.

2. The Secretary-General takes note of its findings, concurs with its recommendations and also notes that measures are being taken or initiated to correct the issues addressed in the review.

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Annex

Report of the Office of Internal Oversight Services on the audit of the use of consultants

Summary

A. Introduction

Pursuant to General Assembly resolution 51/221 B of 18 December 1996, the present report is submitted to provide insight into the use of consultants and associated contractual procedures in the United Nations during the calendar year 1996.

According to the available information, the Organization employed some 2,675 consultants in 1996, including 656 at Headquarters and 2,019 at offices away from Headquarters. The fees paid to these consultants totalled $19.4 million, of which approximately $3.8 million (20 per cent) was charged against the regular budget and the balance of $15.6 million against extrabudgetary resources. The completion of the audit and the preparation of the present report were delayed as a result of difficulties experienced by OIOS in collecting data from Secretariat departments and offices at and away from Headquarters and in reconciling incomplete, inconsistent or amended information received from different offices.

B. Results in brief

The audit disclosed various internal control weaknesses and other shortcomings in connection with the engagement of consultants during 1996. Most of these shortcomings represent a recurrence of the practices noted in previous audits of the same subject by the Board of Auditors and OIOS.

The examination of randomly selected cases did not indicate that any of the consultants involved had been engaged to carry out work previously performed by staff on posts. However, no positive assurance can be given that such situations did not occur, in view of the shortcomings in data collection and record keeping identified by the audit. Another related shortcoming was a lack of awareness or understanding on the part of a number of user departments of the essential difference between consultants and individual contractors. This shortcoming resulted in part from unclear definitions of these personnel groups in the existing directives.

The most significant audit findings are as follows:

- In general, no proper rosters of candidates were maintained or used in the Secretariat as a basis for the selection of individual consultants. In many cases this resulted in a consultant being engaged based on a single-person candidate list submitted by the user department, effectively preventing the consideration of other, possibly better qualified candidates. It also meant that the selection process, in part because of lack of time, did not include a prior verification of the candidates' professional background and qualifications;

- There were no clear guidelines on the determination of the level of remuneration payable to consultants, and this resulted in the payment of widely divergent rates for similar services;

- In general, departments maintained inaccurate or otherwise deficient logs on consultancies, and there were indications that the established distinction between consultants and individual contractors – as defined in the existing administrative instructions – was not being observed. As a result, recording and reporting was not reliable. The possibility of using funds allotted for temporary assistance or contractual services to obtain consultancy services by classifying consultants as individual contractors could not be excluded;

- A degree of geographical imbalance – defined as a situation in which, of the total number of consultants hired at a duty station, a significant number come from a relatively small group of countries – was noted in the hiring of consultants during 1996 by 11 Secretariat units, including three departments at Headquarters; three regional commissions; two organizations based in Nairobi; and three offices based in Europe. OIOS notes, however, that in most of the above cases the degree of geographical imbalance becomes less pronounced – and the hiring of consultants from certain countries becomes more justified – when the number of consultants who are nationals of the country or region of the duty station is excluded from the equation and due account is taken of the cost savings gained from hiring such consultants.

C. Recommendations

In order to address the problem areas cited above, OIOS recommends that the following elements be included in the comprehensive policy guidelines, called for by the General Assembly in its resolution 51/226 of 3 April 1997, governing the engagement and use of consultants:

- Clear definitions of the various types of personnel hired on a temporary and intermittent basis by the Secretariat, to easily differentiate those engaged for consultancy functions from those, including individual contractors, hired to perform regular staff or otherwise non-consultancy functions. In this regard, the ambivalent and confusing use of the term "Special Service Agreement" for both consultants and individual contractors should be discontinued;

- Detailed procedures to ensure that the selection of candidates for consultancies is done objectively and on a cost-effective and competitive basis, with due regard, where feasible, to proper geographical balance;

- A proper and consistent approach for the determination of the level of remuneration, including the establishment and regular updating of ranges of standard rates;

- The maintenance and regular updating of computerized rosters of candidates for consultancies;

- The Secretariat-wide use of the Integrated Management Information System (IMIS) to ensure the uniform recording of required consultancy data and to facilitate the reporting, central monitoring and analysis of such data; this will require considerable effort for the reconciliation of data prior to the implementation of the worldwide database.

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I. Introduction

1. The present report has been prepared in response to General Assembly resolution 51/221 B of 18 December 1996, requesting the Secretary-General, "in connection with paragraphs 25 to 31 of the report of the Advisory Committee [on Administrative and Budgetary Questions], to report, through the Office of Internal Oversight Services, on the use of consultants and associated contractual procedures in the United Nations during the calendar year 1996". One of the concerns expressed by the Advisory Committee in its second report on the 1996-1997 programme budget (A/51/7/Add.1) pertained to "the number of people, if any, hired as consultants to carry out work previously performed by staff on posts".

2. For the reasons discussed in paragraphs 6 and 7 below, OIOS was unable to obtain precise data on the number and cost of consultants hired by the United Nations during 1996. According to the available information, the Organization employed some 2,675 consultants in 1996, including 656 at Headquarters and 2,019 at offices away from Headquarters. The fees paid to these consultants totalled $19.4 million, of which approximately $3.8 million (20 per cent) was charged against the regular budget, and the balance of $15.6 million against extrabudgetary resources. In addition, six institutional or corporate consultants were hired at a total cost of $0.3 million.

3. Although the audit initially focused on "consultants" and "participants in advisory meetings", as defined in administrative instruction ST/AI/296, it was extended to also cover the United Nations Secretariat's two other regular sources of consultancy services: "experts on mission" and "institutional or corporate contractors", as defined in ST/AI/297 and 327, respectively. Two separate teams carried out the audit, one of them focusing on the experts on mission engaged by the former Department for Development Support and Management Services, and the other on consultants, participants in advisory meetings, and institutional or corporate contractors engaged by the other Secretariat units at and away from Headquarters.

4. In its resolution 51/226 of 3 April 1997, the General Assembly had requested the Secretary-General "to prepare, no later than the end of 1997, comprehensive policy guidelines on the terms of reference (including objectives, targets and output delivery dates), selection, hiring and renewal of consultants and ensuring transparency and objectivity in the selection process". In response to that resolution, a working group was established by the Office of Human Resources Management (OHRM) to formulate the requested policy guidelines. At the invitation of the working group, representatives of OIOS participated in some of the group's sessions.

5. A draft of the present report was submitted to the Office of Human Resources Management on 17 October 1997. A revised draft, reflecting informal comments received subsequently from OHRM, was submitted to the Department of Management on 9 December 1997. By memorandum of 30 January 1998, the Under-Secretary-General for Management transmitted the comments of the Controller, the Assistant Secretary-General for Human Resources, and the Chief of the Integrated Management Information System (IMIS) project. These were taken into account when finalizing the present report. As a general comment, the Department of Management stated that, "*on the whole, there seems to be concern about the data collection*". OHRM stated that *the issue of the use of consultants would be dealt with in the context of the Secretary-General's Task Force on Human Resources Management* and that it was hoped that "*the best practices pertaining to the selection and the use of consultants from both private and government sectors would be reflected in the final report of the Task Force.*" OIOS shares the concern about the reliability of available data but wishes to point out that the problems identified in the recording and reporting of consultant-related data need to be addressed by the Department of Management, as explained in the following paragraphs.

II. Number and cost of consultants hired in 1996

6. OIOS could not readily obtain precise information about the number and cost of consultants hired by the United Nations during 1996. Requests for such information had been made separately at the start of the audit to the Office of Human Resources Management, the Office of Programme Planning, Budget and Accounts (OPPBA) and other Secretariat units both at and away from Headquarters. An examination of the data received in response to OIOS' requests disclosed the following shortcomings:

(a) The data provided by OHRM, of which several different versions were received by OIOS, were retrieved from IMIS. They covered only consultants hired by departments and offices at Headquarters because, in 1996, IMIS was not yet operational at overseas offices. According to the last version of those data, 532 individual consultants were hired at Headquarters during 1996 (excluding the institutional or corporate contractors) under 656 separate Special Service Agreements (SSAs), at a total cost of $5.9 million. In response to a separate query, OHRM indicated

that $0.3 million had been spent additionally at Headquarters to engage six institutional or corporate consultants in 1996;

(b) The data provided by OPPBA showed what had been recorded in the accounts at Headquarters as consultancy expenditures incurred in 1996 by departments and offices Secretariat-wide. OIOS noted significant differences between these data and those provided by OHRM and the offices away from Headquarters. These differences are attributable in part to: (i) the fact that, according to OPPBA, their data do not include consultancy expenditures charged against technical cooperation funds; (ii) the incorrect inclusion, by overseas offices, of data pertaining to individual contractors; or (iii) varying methods employed by the offices involved in accessing data from IMIS or other sources. Thus, the different sets of data could not be compared and validated;

(c) The data provided by the departments and offices away from Headquarters, which had not been recorded in IMIS, were contained in variously formatted tables, comprising detailed lists – with no summary totals – of individual names and related personal and cost data. These tables were supposed to but did not always provide such information as the total fees paid and the allotment account charged in respect of each person listed. Moreover, some of them listed consultants and individual contractors in the same table, without clearly distinguishing which was which in each case. These shortcomings made it difficult to arrive at the total number and cost of consultants hired in 1996 outside Headquarters;

(d) The data provided by OHRM and the various offices away from Headquarters indicated that, in a number of cases, two or more SSAs were issued for the same consultant, but without indicating whether, in each case, the consultant worked on the same consultancy project or on different projects. OIOS noted that no policy or procedure had been established to advise user departments and personnel services how the cases referred to should be dealt with in the process of recording and reporting the number of consultants hired each year. The absence of such a policy or procedure gives rise to discrepancies in establishing the number of consultants employed by each department every year. In OIOS' view, each new consultancy project should be counted separately, even if the same person was employed for two or more projects. However, if two or more SSAs are issued for the same consultant but covering only one project, this should be counted as one consultancy.

OIOS recommends that an appropriate procedure be established in the proposed new guidelines to ensure the accurate recording and reporting of the number of consultants employed every year by the Secretariat through: (a) the proper counting of cases in which two or more SSAs are issued during the year to the same individual, (b) the strict observance of the distinction between consultants and individual contractors, and (c) the discontinuance of the use of the term "Special Service Agreements" when referring to consultancies and individual contractors (AH97/28/3/001).

7. In view of the data-related shortcomings cited in the preceding paragraph, OIOS tried to have the missing data provided, and the available data reviewed and corrected, by the offices concerned, but this exercise, apart from significantly delaying the completion of the audit, could not be completed satisfactorily. For this reason, and based on the available data, the number and cost of consultants hired in 1996 could not be precisely established. On the data collection difficulties cited above, OHRM advised OIOS that *it intended to pursue this matter with all offices to ensure their compliance with the data-collection guidelines established by OHRM.*

III. Hiring of consultants for regular staff functions

8. Taking into account concerns expressed by the General Assembly on this issue, the audit included a review to determine whether and to what extent consultants were being engaged for work previously performed by regular Secretariat staff. The review did not disclose any clear case of consultants being so engaged.

9. Among other procedures, the audit team analysed job descriptions covering both individual consultancies and established posts in the same offices, but did not identify any instance in which the tasks which the consultant was supposed to perform had previously been carried out by regular staff. However, no positive assurance can be given that such situations did not occur, in view of the shortcomings in data collection and record keeping identified by the audit.

10. Another related shortcoming was a lack of awareness or understanding on the part of a number of user departments of the essential difference between consultants and individual contractors. This shortcoming resulted in part from unclear definitions of these personnel groups in the existing directives. As discussed elsewhere in the present report, individual contractors differ from consultants in that contractors are hired to perform regular staff functions but, like consultants, are engaged through Special Service Agreements (SSAs). OIOS noted that the use of SSAs to

engage both consultants and contractors over the years had resulted in part in obscuring the essential difference between the two personnel groups, to the extent that it became common practice – on the part of both user departments and personnel services – to use the term "SSAs" instead of "consultants" or "individual contractors" when referring to either or both personnel groups.

IV. Maintenance and use of rosters

11. The audit indicated that, except as indicated below, personnel rosters were not maintained or used as a standard tool in the identification and selection of qualified candidates for consultancies. An immediate reason for this shortcoming is that the relevant administrative instructions do not specifically require the maintenance of such rosters. This has resulted in most candidates being engaged on the basis of a single-person list submitted by the user department, effectively preventing the consideration of other, possibly better-qualified, candidates. In a number of cases, it has also led to the selection of candidates without due regard to geographical balance (see paras. 22-24 below).

12. IMIS (Release 1) includes a reporting facility which allows standard roster searches and reporting by occupational group. There was little evidence, however, that this facility was used, and the related database updated, regularly. Moreover, the facility was only available to departments and offices at Headquarters, as the IMIS personnel module had not yet become operational at all offices away from Headquarters.

13. OHRM advised OIOS as follows: "*With regard to the rostering ... it should be noted that the IMIS personnel module is already operational in all offices away from Headquarters except for the Economic and Social Commission for Western Asia (ESCWA) where it is scheduled for implementation in February 1998. It is anticipated that the recording of certain skills data will be made mandatory, including skills available for consultancies. This would make the approval of a departmental request for SSA contingent upon the availability of a corresponding record in the IMIS database.*"

14. The Chief of the IMIS project, while endorsing the idea of using IMIS for rostering consultants, pointed out that "*several steps need to be undertaken*" before fully making use of the IMIS facilities.

OIOS recommends that:

(a) The current guidelines on the engagement and use of consultants be revised to provide for the maintenance of standard rosters for use in the identification of suitable candidates for consultancies (AH97/28/3/002); and

(b) The proposed rosters be established as a part of the Integrated Management Information System (IMIS) and maintained on the basis of continually updated skills data provided by the user departments through the Office of Human Resources Management (AH97/28/3/003).

V. Verification of credentials of candidates

15. The audit found little or no evidence that the stated qualifications and experience of candidates for consultancies were verified as part of the hiring process. The root cause of this is that a proper roster of pre-certified candidates is not maintained in the Secretariat. This shortcoming is exacerbated by the fact that, generally, requests for the engagement of consultants are submitted by user departments without adequate advance notice, giving personnel officers little or no time to review and process each request properly, including verifying the credentials of the recommended candidates. To correct this practice, better cooperation and more discipline on the part of user departments – in terms of giving adequate lead time for the consideration of their requests – is needed, in addition to resolving the underlying problem.

OIOS recommends that the revised guidelines for the engagement and use of consultants require, except for low-cost consultancies, the verification of credentials prior to any engagement (AH97/28/3/004).

VI. Segregation of functions

16. A review of 37 randomly selected cases in the Department for Development Support and Management Services indicated that, in 36 of those cases, the same person in the user department who drafted the related terms of reference also recommended the specific candidates to be considered for recruitment. Invariably, these recommendations were accepted without question by the personnel officers who processed the contracts. To ensure transparency in this regard, and to facilitate the work of the officials involved, OIOS believes there is a need for specific provisions – missing in the existing guidelines – defining the

respective roles and responsibilities of the requesting officers and processing officers in the hiring of consultants. Requesting officers, among other tasks, need to prepare job descriptions or terms of reference that are sufficiently clear and comprehensive to facilitate the process of locating suitable candidates and determining the proper level of remuneration to be paid. Processing officers, on the other hand, need to take a more active role in that process and in ensuring that the applicable rules, policies and procedures are properly complied with.

OIOS recommends that the revised guidelines on the engagement and use of consultants provide for an adequate segregation of related functions between the requesting officers and the officers who process the contracts and include a clear definition of their respective roles in ensuring compliance with the relevant rules, policies and procedures (AH97/28/3/005).

VII. Level of remuneration

17. The audit revealed that the existing guidelines, apart from not being properly observed generally, provide inadequate direction and offer no practical approach as to how the level of remuneration for each consultant should be determined. Administrative instruction ST/AI/296 stipulates that the primary consideration should be the nature of services to be provided, the estimated time to complete them, the current market rate for comparable work and the need to ensure that the remuneration to be paid represents "the minimum necessary to obtain the services required by the Organization". The same instruction provides that "the level of remuneration to be offered to an individual engaged as a consultant" shall be established by the "appropriate personnel service".

18. The audit indicated that, owing to the general nature of the above provisions, widely divergent rates were being used to pay for similar types of services and, in many cases, the rates were established by the user department without involving the personnel service.

19. In respect of the consultants hired at Headquarters under ST/AI/296, some of the rates paid were based on the established salary levels for the Professional and higher categories. In other cases, however, the rates were established on an ad hoc basis, and were claimed to represent current market rates and ranged up to $850 a day.

20. We support the idea of using standard rates and of using the United Nations salary scales as a base for developing the amounts to be established. In our view, however, these amounts should take into account not only the base pay but also other elements making up each staff member's total compensation package, to ensure that the resulting rates are sufficiently competitive to attract desirable candidates.

21. OHRM advised OIOS as follows: "*With regard to the issue of remuneration ... a flexible and transparent yet consistent approach should be developed, largely based on the salaries for Professional staff, with a possibility of increasing the upper-range values by an amount reflecting additional compensation elements, as proposed by OIOS, i.e., to take into account not only the base pay but also the other elements of the total compensation package. Such considerations as the local labour market and specific qualifications of the consultants should also be reflected in the consultants' rates. There is also a need for improving the competitiveness of consultants' rates in order to attract the high-calibre consultants working in the various specialized fields of work.*"

OIOS recommends that realistic ranges of standard rates for the remuneration of consultants be developed and updated regularly, taking into account the following factors, which should be incorporated in the proposed new guidelines:

(a) The need to attract fully qualified individuals, from as wide a geographical area as possible;

(b) The need to reflect the different market rates that may prevail at each duty station and for different categories of consultants; and

(c) The need for the responsible officials throughout the Secretariat to take a consistent approach in determining each consultant's remuneration (AH97/28/3/006).

VIII. Geographical balance

22. Based on prior observations and recommendations on this subject by the General Assembly, the Board of Auditors, and OIOS, the audit included a review of the extent to which the Organization's policy on geographical distribution was observed in the engagement of consultants during 1996. An analysis of the available data showed that out of a total of 2,675 consultants hired overall by the Secretariat in 1996, 2,541 were clearly identified as nationals of 137 countries. Of these, 1,111 (42 per cent) were from eight countries and accounted for 50 per cent ($9.7 million) of the total fees paid

($19.4 million), both under the regular budget and extrabudgetary resources.

23. On the basis of a more detailed analysis by duty station and office, OIOS noted a degree of geographical imbalance in the hiring of consultants by 11 Secretariat units, including three departments at Headquarters; three regional commissions; two Nairobi-based organizations; and three offices based in Europe. These 11 units accounted for 61 per cent (1,631) of the total number of consultants hired in the Secretariat in 1996, and 71 per cent ($13.7 million) of the total fees paid. Of the 1,631 consultants from 67 countries hired by them, between 43 and 68 per cent were nationals of only four or even fewer countries. In the case of the Economic Commission for Latin America and the Caribbean (ECLAC), three countries accounted for 63 per cent, and in ESCWA, two countries alone accounted for 67 per cent, of all the consultants hired by them, respectively. OIOS notes, however, that in most of the above cases the degree of geographical imbalance becomes less pronounced – and the hiring of consultants from certain countries becomes more justified – when the number of consultants who are nationals of the country or region of the duty station is excluded from the equation. The audit determined that there was geographical imbalance in the hiring of consultants by ECLAC, for example, because, of the 357 consultants hired by it from 27 countries, 225 (63 per cent) came from only three countries. A closer look at the data indicates, however, that all three countries (including the host country) belong to the ECLAC region.

24. Based on the above findings, there is a need, in the proposed revised guidelines, to underscore the importance of attaining proper geographical balance in the hiring of consultants. On the other hand, we do not believe that the geographical distribution principle should be applied indiscriminately and without regard to other factors, particularly cost. Travel costs, especially in low-cost consultancies, are often the largest single cost element and even exceed the fees. There is therefore an obvious economic advantage in hiring individuals from within, as opposed to outside, the same duty station or region. The additional cost of non-local hiring made in the interests of geographical balance may often not be justified. These considerations, in our view, should also be reflected in the proposed revised guidelines. For low-cost consultancies, the requirement of geographical distribution should not apply at all in order to promote cost-effectiveness.

OIOS recommends that the revised guidelines include appropriate provisions:

(a) Reiterating the importance of attaining proper geographical balance in the hiring of consultants (AH97/28/3/007);

(b) Underscoring, at the same time, the need to balance the geographical distribution requirements with the objective of achieving economies through local and/or regional recruitment (AH97/28/3/008); and

(c) Exempting low-cost consultancies from the requirement of geographical distribution. Low-cost consultancies should be defined in the new guidelines as those whose total cost amounts to less than a specific figure to be established therein (AH97/28/3/009).

IX. Maintenance of logs

25. The audit indicated that there was a general lack of compliance with the existing requirement calling for the maintenance by each user department of "a current log of all expenditures for consultants they engage each year". These logs are supposed to show the related "expenditures under each section of the budget and for each source of extrabudgetary funds for all programme and miscellaneous accounts", as well as the following information: "the work assignment and its purpose, the body or programme for which it is intended, the name, nationality, date of birth and level of education of the consultant, the commencement and expiry date of the contract, the estimated work months required to complete the contract, the fee or other remuneration and the basis for its payment, the travel cost and an evaluation of the consultant's services under the contract".

26. Examination of the copies of logs provided to OIOS by departments and offices at and away from Headquarters showed that the logs differed from each other in form and content and in many cases provided only some of the information called for in the administrative instructions. Most of them consisted of unbound pieces of paper, with all information handwritten, despite the availability of personal computers. Some of the logs included data on both consultants and individual contractors, without clearly indicating in each case whether the person listed was a consultant or a contractor. This commingling of consultant and individual contractor data was also noted in an examination of printouts of relevant IMIS data. In these printouts, a number of individual contractors were shown as being charged against the object of expenditure assigned to consultants' fees (0111), whereas some consultants were

shown as being charged against objects of expenditure other than 0111.

27. Owing to lack of information, it was not possible to verify whether the apparent errors in those IMIS printouts were simple and isolated recording errors or whether they reflected a general problem of lack of awareness, or non-recognition, on the part of user departments of the difference between consultants and individual contractors.

28. Although consultants and individual contractors are both hired on an intermittent basis under Special Service Agreements, they differ significantly in terms of (a) the nature of the services they are supposed to provide, and (b) the budgetary account against which the cost of such services are chargeable. As provided in ST/AI/296:

(a) Consultants provide "advisory services or assistance requiring expertise, special skills or knowledge not normally possessed by the regular staff of the Secretariat and for which there is no continuing need in the Secretariat"; and

(b) The "services of consultants or participants in advisory meetings shall be charged exclusively to funds specifically authorized for these purposes".

On the other hand, as provided under ST/AI/295, individual contractors – like "temporary staff" hired under the 100 series or the 300 series of Staff Rules on short-term appointments – are defined as "individuals required by the Organization from time to time to assist the regular staff in the performance of their functions by providing expertise, skills or knowledge similar to those possessed by regular staff or for which the Organization has a continuing need". The same instruction provides that the cost of individual contractors is chargeable against "funds authorized for temporary assistance" or, "where the use of individual contractors is expected to be heavy, an identifiable provision may be made for this purpose under contractual services".

29. The failure on the part of a number of Secretariat units to observe the distinction between consultants and individual contractors is attributable in part to the less than clear definitions of those terms given in the existing administrative instructions. In any event, such failure has evidently affected the Secretariat's ability to properly report on and account for the number and cost of consultants engaged by the United Nations. OIOS cannot exclude that such failure may, in some cases, have resulted in individuals performing consultancy functions being charged against funds for individual contractors. However, OIOS has not found any evidence of such instances.

30. In the process of obtaining and examining data from IMIS, OIOS noted that the relevant module of that system had been devised to receive and process data for 13 "payee types", only 4 of which are currently used, namely "consultants", "individual contractors", "other person" and "staff member". OIOS believes that this capacity could be better utilized in order to distinguish between the different categories of personnel which need to be reported on and accounted for separately by the Secretariat. The audit also indicated that the IMIS module did not provide sufficient validation checks to automatically flag data which are inconsistent with the budget code used. A validation check could, for example, caution against a set of entries for a consultant if the object of expenditure code being entered is other than that uniquely assigned for consultants' fees (0111, previously 041).

31. With regard to the log-related shortcomings cited above, OIOS noted that the General Assembly, in its resolution 51/226, had endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions calling upon the Secretariat to "resume the past practice of submitting, on a biennial basis and in conjunction with the report requested by the Committee on the hiring of retired staff, a report on the hiring and use of consultants, following the format of past reports on the subject". This provides another reason for the Secretariat to improve its data recording and reporting facilities by addressing the existing shortcomings concerning the logs as well as the IMIS personnel module. According to the Chief of the IMIS project, "*the log can be maintained exclusively by the duty stations where IMIS Release 3 has been implemented. IMIS has been designed to meet the requirements indicated by OIOS but interim solutions have to be found until IMIS Release 3 is implemented worldwide.*" OIOS is aware that considerable effort is needed for the reconciliation of data during the transitional period.

OIOS recommends that:

(a) The various logs required under the relevant administrative instructions, which are currently maintained manually, should be maintained instead on a computerized basis, using the IMIS personnel module where IMIS Release 3 is operational, that appropriate interim arrangements should be adopted at those duty stations where IMIS Release 3 is not yet operational (AH97/28/3/010);

(b) To the extent necessary, appropriate modifications should be made to the IMIS personnel module to ensure that data pertaining to the various categories of personnel referred to in the existing guidelines (consultants, participants in advisory

meetings, individual contractors, institutional or corporate contractors, technical cooperation personnel, experts on mission, and operational, executive and administrative services (OPAS) officers) are recorded and can be reported on separately (AH97/28/3/011);

(c) New control procedures should be set up and incorporated in the revised guidelines with clearer definitions of terms, to ensure that the distinction between consultants and various other categories of personnel engaged under Special Service Agreements is strictly observed in determining the need for such personnel and in recording all relevant data pertaining to their engagement (AH97/28/3/012); and

(d) The revised guidelines should provide for a new term – "institutional or corporate consultants" – to refer to institutions, corporations or other similar entities called upon to perform consultancy functions for the Organization, to differentiate them from those entities, currently referred to as institutional or corporate contractors, that are hired to perform non-consultancy functions (AH97/28/3/013).

(*Signed*) Karl Th. **Paschke**
Under-Secretary-General for
Internal Oversight Services